

EXHIBIT B



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April 1, 2021

By Email

Re: *Financial Oversight and Management Board for Puerto Rico et al. v. Ambac Assurance Corporation, et al.*, Adv. Proc. No. 20-003 (LTS), 20-004 (LTS) and 20-005 (LTS)

To the Counsel on the Annexed Distribution List:

Pursuant to the meet and confer provision in ¶ 1(c) of Judge Swain's Second Amended Standing Order, we write to inform you the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), as sole Title III representative of the Commonwealth of Puerto Rico (the "Commonwealth"), pursuant to PROMESA § 315(b), intends to request stay relief in respect of the litigation stay imposed by the March 10, 2020 *Final Case Management Order for Revenue Bonds* [Case No. 17-3283, ECF No. 12186] (the "Revenue Bonds CMO") for the limited purpose of filing additional summary judgment motions on substantially all remaining counts in the *Complaint Objecting to Defendants' Claims and Seeking Related Relief* [Case Nos. 20-AP-003, ECF No. 1; 20-AP-004, ECF No. 1; and 20-AP-005, ECF No. 1] (the "Revenue Bond Complaints"), filed in each of the respective adversary proceedings ("Revenue Bond Adversary Proceedings"). For the reasons set forth below, good cause exists for the Court to permit such motions to be filed, which motions will seek disallowance of all the remaining claims against the Commonwealth, including unsecured claims of all asserted priorities, alleged by Defendants in their respective Proofs of Claim. The Oversight Board will also request the litigation stay imposed by the Revenue Bonds CMO otherwise remain in effect.

As you know, a Plan Support Agreement has been executed with certain creditors and monoline insurers with respect to the treatment of claims pursuant to an amended plan of adjustment that, in accordance with the Court's order, the Oversight Board filed on or about March 8, 2021. *See* Case No. 17-3283, ECF No. 15976. Based upon the Court's calendar, the Oversight Board anticipates that the Court will consider confirmation of such plan in the Fall of this year.

Accordingly, while the Oversight Board intends to continue the mediation with all your clients and hopes to reach settlements, it believes it must proceed on dual tracks. This letter does not signal any reduction in the Oversight Board's desire to settle.

As you are also aware, in an effort to resolve significant claim allowance issues in advance of confirmation, and upon the Mediation Team's recommendation, the Court permitted the filing of motions for partial summary judgment in the Revenue Bond Adversary Proceedings. The counts on which partial summary judgment motions were permitted address certain threshold gating

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issues regarding whether Defendants have: (i) a secured claim or other ownership or protectable property interest in (a) certain taxes and fees levied and collected by the Commonwealth, which historically were appropriated and transferred to CCDA and HTA, and (b) certain rum taxes covered into the Commonwealth Treasury by the United States Treasury, which historically were appropriated and transferred to PRIFA (collectively the “Relevant Revenues”); (ii) any claims for purported violations of the Contract Clause; and (iii) a claim for violation of PROMESA Section 407. The motions for partial summary judgment also sought determinations that any Commonwealth law upon which Defendants based their secured or other protectable property claims was preempted by PROMESA, thus rendering any such claim unallowable. Those motions for partial summary judgment are briefed, and subject to the limited discovery permitted by the Court, and supplemental briefing, if any, will be determined by the Court.

Most of the remaining counts in the Revenue Bond Complaints (including the preemption counts) address the unsecured claims asserted in Defendants’ Proofs of Claim. Good cause exists to lift the stay to adjudicate Defendants’ remaining claims, including unsecured claims, against the Commonwealth in advance of plan confirmation. Among other things, adjudication of Defendants’ remaining claims, including any unsecured claims, will undoubtedly factor into the Court’s consideration of whether to confirm the proposed plan of adjustment. *See, e.g., In re WR Grace & Co.*, 729 F.3d 332, 346 (3d Cir. 2013) (finding among the objectives and purposes of the Bankruptcy Code are “the expeditious liquidation and distribution of the bankruptcy estate to its creditors”); *In re Financial Oversight and Management Board for Puerto Rico*, No. 17 BK 3283-LTS, 2019 WL 4735362, at *5 (D.P.R., June 28, 2019) (recognizing “broad public interest in efficient and expeditious progress of the Title III cases”). Accordingly, the Oversight Board will request relief from the stay imposed by the Revenue Bonds CMO to permit the Commonwealth to prosecute summary judgment motions with respect to substantially all the remaining counts in the Revenue Bond Complaints as described herein.

In accordance with Judge Swain’s Standing Order, please let us know by 5 p.m. AST on April 5, 2021, whether you intend to oppose the Oversight Board’s motion or would like to discuss further the issues raised in this letter. Thank you for your prompt attention and cooperation.

Very truly yours,

/s/ Michael Firestein

Michael Firestein

cc: Brian Rosen (brosen@proskauer.com)

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